

Testimony of Marlene Pollasch in favor of Maryland House Bills 281, 968, and 1187
To Delegates Holmes, Wivell, Baker, Hinebaugh, Valentine, and McComas

Marlene (Molly) Pollasch
26 Bella Vita Court, Unit 3C
Westminster, MD 21157

Dear Delegates,

I am a resident of Carroll County, living in Westminster, at the Bella Vita Condominiums, which is a 55+ condo complex. I serve as the Vice President of our association board. I offer this written testimony in favor of House Bills 281, 968, and 1187. This testimony generates from the grave concerns that the residents of Bella Vita have regarding House Bill 107, Condominium Reserve Funds.

Bella Vita Condominiums is a 55+ property, with most of the residents in their 70s and 80s – some in their 90s. Many have been retired for a long time and have long been on fixed incomes. The property consists of four, three-story brick buildings, with 12 condo units in each building except for one building which has 11 units and a unit for our community room. Utz Properties is the property management company that serves our association. In 2023, The agent from Utz Properties informed us of the new law that addressed a reserve study and reserve fund for properties such as ours: Maryland House Bill 107.

In compliance with HB 107, our reserve study was completed in June 2023, by ASG - Architectural Support Group in Olney. When the other officers and I reviewed the reserve study, we were stunned by the financial burden that our residents will need to shoulder. The total reserve fund cost in present day dollars is \$1,337,690 with \$177,633 required this year, in 2024. Our property management agent informed us about the law when it was initially passed, and we began to put money into a reserve fund. However, at this point we are only 14% funded, according to the reserve study. The majority of our residents are on fixed incomes - I am one of two residents who are still working. We understood from HB 107 that we were required to complete the reserve study funding in three years. And then, going forward, whenever money is used from the fund, we will need to replace it. In addition, we are required to have ongoing reserve studies done. All of this is very financially daunting for our residents.

I understand how the incident in Florida sparked concern for shared properties like ours. But why was HB 107 so broad? Why were concessions not made for smaller properties and even for buildings that are not that tall? We have always taken wonderful care of our property and have pride in the shared interior spaces and outside environment. Residents at Bella Vita develop a practical budget, invest money, and assign special assessments when needed. This has worked very well for us and if you visited our property, you would encounter a beautiful setting, well-kept properties, and satisfied residents. In order to amass the funds required in our reserve study, our monthly association fees will increase drastically each month. If we decide to limit the increase for the monthly fees, we will still need to apply a special assessment to each resident in order to accumulate the nearly \$178,000 needed for this year. I admit outright that we are not in a poverty area, however, I hear all the time from residents that with prices going up and up, they are struggling to make ends meet. HB 107 has caused much consternation in our modest, elderly community.

However, after reading House Bills 281, 968, and 1187, I saw a ray of hope. I feel they would be very beneficial in making the original HB 107 more just, fair, and gracious. The Bella Vita Association officers are hoping that all three of these adjustment Bills will be passed. The Bill which allows associations to have 5 years, rather than 3 years, to amass the reserve fund would be a gracious move. Having 5 years still allows for a stressful situation in our association, but it is far better than 3 years which seems impossible to us. The Bill that we are most in favor of and excited to get passed is the one that exempts associations from the reserve fund, if 80% of the residents/owners voted to use assessments rather than the reserve fund. We like this Bill because that is what we have been doing to keep our property in pristine condition ever since the complex was built. Keep in mind that the Bella Vita condominium complex is small, and the buildings are only three stories tall. As I mentioned earlier, we are proud of our property and have used special assessments to keep the grounds and buildings in superior shape. In addition, we have always had a modest reserve fund in our annual budget...it is just not the huge sum that the reserve fund study requires. The officers of the Bella Vita Association feel confident that our residents would overwhelmingly vote to forego the reserve fund in favor of special assessments when needed. That is what they are used to, and it allows each resident to save money on their own, earning interest on the personal funds, and have it ready in case we vote to make a major improvement with a special assessment. The third Bill is also favorable to us. It would be a gracious and practical move to have the state establish a reserve study payment assistance program. Many of our residents would fall into the categories specified in the Bill as they have been retired for many years and have fixed incomes. With the cost of goods and services increasing constantly, residents who fall into the financial parameters of a payment assistance program could breathe easier that they can continue to pay for their living expenses and comply with the law.

I and the other association officers have been keeping the Bella Vita residents informed of these three House Bills. They are all very hopeful that lawmakers will see how unfair and arduous HB 107 is to us, and that you will take the needed steps to pass House Bills 281, 968, and 1187. We need all three of these Bills to pass in order to alleviate the financial stress and burden of HB 107. Please do not let your senior citizens down!

I thank you for the fine leadership and work you provide for the citizens of Maryland. I am very hopeful and have been praying that you will see the need to modify the original House Bill 107 by passing House Bills 281, 968, and 1187.

Respectfully,
Marlene (Molly) Pollasch